

Message Text

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46

ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 L-03 EB-07 SP-02 USIA-15 AID-05

NSC-05 CIEP-02 SS-15 STR-04 OMB-01 CEA-01 COME-00

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EO 11652: N/A

TAGS: EFIN HU

SUBJECT: TAX CONVENTIONS NEGOTIATIONS

REF: STATE 227283 AND PREVIOUS

1. ECONOFF SEPT 15 DISCUSSED FINAL ARRANGEMENTS FOR TAX NEGOTIATIONS WITH MINISTRY OF FINANCE OFFICIAL AKAR. HUNGARIANS ARE WELL PREPARED, AND WOULD LIKE TO OPEN FIRST ROUND SEPT 20 BY COMPARISON AND CLARIFICATION OF BASIS TAX SYSTEMS EXISTING IN TWO COUNTRIES. THIS WOULD BE FOLLOWED BY PARAGRAPH BY PARAGRAPH TEXT COMPARISON OF MODELS WHICH HUNGARIANS HAVE STUDIED:

A. OECD MODEL

B. HUNGARIAN-AUSTRIAN TAX AGREEMENT

C. U.S. MODEL

D. U.S. AGREEMENTS WITH USSR, POLAND AND ROMANIA.

U.S. MODEL WILL BE BASIC GUIDE FOR DISCUSSION.

2. ECONOFF WILL MEET DELEGATION UPON ARRIVAL SUNDAY, SEPT 19. SUNDAY NIGHT FREE. AFTER SHORT MEETING AT EMBASSY MONDAY, SEPT 20, AT 0900, NEGOTIATIONS WILL BEGIN AT MINISTRY OF FINANCE AT 1000. NIGHT OF SEPT 20 HUNGARIANS WILL HOST DINNER. ECONOFF WILL RECIPROCATATE WEDNESDAY, SEPT 22. THURSDAY, SEPT 23, DELEGATION WILL VISIT

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ESZTERGOM AND VISEGRAD AS GUESTS OF HUNGARIANS, WITH

DISCUSSIONS IN AFTERNOON AND ALL DAY SEPT 24. MAGYARS
LOOKING FORWARD TO DISPLAYING TRADITIONAL HOSPITALITY
BY FILLING IN WITH SIGHTSEEING EVENTS WHEN TIME AVAILABLE.

3. TRANSLATOR WILL BE REQUIRED FIRST THREE DAYS AND
POSSIBLY, FIRDAY, SEPT 24.

4. HUNGARIAN SIDE WILL CONSIST OF MINISTRY OF FINANCE
LEGAL COUNSELOR (KISS), HEAD OF INTERNATIONAL DEPARTMENT
(AKAR), U.S. DESK OFFICER (MOHAI), MINISTRY OF FOREIGN
TRADE LAWYER (MOHI), AND POSSIBLY REPRESENTATIVE FROM
NATIONAL BANK.
MUDD

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